

Michael Fendrich
Columbia University
Department of Engineering
Human Factors
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Advanced Hiring

Reengineering the Sales Hiring Process

The hiring process is an arduous one, which can be both costly in respect to time as well as money and since time is money it can be particularly taxing on the wallet. It costs money for a number of reasons, three in particular:

The first cost would be the advertising for the candidates. This is a virtually unavoidable cost since in order to get good candidates one must advertise. With the creation of the internet there has certainly been a number of more effective ways created to get more bang for your buck (or more job candidates for your money as it were) through the use of job boards which are usually reasonably priced and tend to bring in scores of candidates due to their ease of use.

After the unavoidable cost of advertising for the candidates there is a slightly more avoidable cost of time spent on interviewing the candidates and deciding which one(s) are the best for the position. In smaller companies this may not take as much time and might not cost as much money. If you only have five candidates coming in for a position you may only spend a total of an hour or two for all of them. Of course, with such a small flow of candidates in you might really only be settling for the best of the bunch rather than what you are really looking for which is a GOOD or GREAT candidate. You don't want someone that can cover his/her paycheck, you want someone that makes you money.

Then finally you come to the cost of the candidate him/herself. This is mainly the cost of the candidate, now your employee, to be on the payroll. This cost can encompass a number of things, one is how much the employee is paid. In the case of sales where an employee is most likely paid a base salary plus commission it would be the cost of the base salary which comes out of the company's pocket, if a employee doesn't cover his

own salary then this can be a substantial amount of money for a company to shell out only to decide that that employee is a dud. Another thing to think about in respect to sales is the loss of leads/ prospective clientele.

A company called Advanced Hiring (www.advancedhiring.com) claims that their system is the most effective in hiring salespeople. It is based mainly on the use of values and personality profiling to screen applicants for sales positions. They claim that interviews and resumes, though useful to a very small degree, do little to determine whether or not a person will make a good salesperson. They claim that they have an incredibly high degree of customer satisfaction, and that for the most part their customers continue using their system because it is easier to use and is more effective than other ways they have tried hiring employees. The purpose of this paper is to look at a number of studies done on the topics of hiring employees and the processes involved to see if there is any evidence to support their claim. The hypothesis is that since Advanced Hiring does claim customer satisfaction and has a very high degree of repeat business by those companies that are growing and need a larger amount of salespeople, it will find evidence to support Advanced Hiring's claims for their process being a more accurate hiring process.

The first step in the Advanced Hiring System, after advertising has been set up and candidates are coming in, is a values test. The claim by Advanced Hiring is that if the salesperson does have the values of a salesperson he/she will not perform well and will not be committed to his job, thereby making less money and lasting less time in his position. That is, if he/she does not have the goals that a salesperson should have then he/she will make a lousy salesperson.

In a study done by Günter W. Maier and Joachim C. Brunstein they examined the importance of 3 characteristics of personal work goals (i.e., commitment, attainability, and progress) in accounting for changes in newcomers' affective job attitudes (i.e., job satisfaction and organizational commitment) during the 1st months of employment. . The concept of personal goals has been developed by personality researchers and motivational psychologists to analyze people's feelings, thoughts, and actions in natural contexts. Personal-goal theories posit that goal striving serves the purpose of providing a person's day-to-day activities with structure and meaning. Specifically, these theories seek to explain individual differences in emotional well-being and life satisfaction on the basis of distinctive characteristics associated with the goals a person seeks to attain in his or her current life situation. It has been stated that employees are likely to reach high levels of job satisfaction and organizational commitment if their job promotes the attainment of valued goals. (3) In other words, if their values fit their job they will perform well.

During the course of the study three conclusions were made: First, the interaction between goal commitment and goal attainability uniquely accounted for changes in newcomers' job satisfaction and organizational commitment during the first months of employment. Second, these relations between personal work goals and affective job attitudes were relatively stable over time. Third, progress at personal work goals mediated to a considerable extent the interactive effect of goal commitment and attainability on newcomers' job satisfaction and organizational commitment. (3) It appears from this study that Advanced Hiring was correct in their use of a values test in hiring salespeople.

The next step in Advanced Hiring is to use a psychological profiling test to determine if someone has the natural tendency towards sales. In an article by Robert Hogan, Joyce Hogan, and Brent W. Roberts they discuss the use of psychological testing in preemployment screening. “The invisible college of psychologists who do research with measures of normal personality now largely agrees about the structure of personality; this group also agrees that competently developed personality measures are valid predictors of real world performance. Outside that college, however, there is still considerable skepticism regarding the meaning and validity of these measures.”(6) In this article they try to answer more frequent questions about the use of personality measures in application.

The article is summarized in four points. The first is that a large number of employers still believe that personality measures are unsuitable for use in preemployment screening, giving a variety of reasons to support this verdict; the article tries to show that these criticisms are less serious than is generally believed. The second is that data is presented showing that scores on well-developed measures of normal personality are stable over reasonably long periods of time and predict important occupational outcomes. The third is that we want to suggest in the strongest possible terms that the use of well-constructed measures of normal personality in preemployment screening will be a force for equal employment opportunity and increased productivity. The fourth is that although we believe that personality measurement is appropriate for most preemployment decisions, it should always be used in conjunction with other information. (6)

The conclusions of this article are that well-constructed measures of normal personality are valid predictors of performance in virtually all occupations, they do not

result in adverse impact for job applicants from minority groups, and using well-developed personality measures for preemployment screening is a way to promote social justice and increase organizational productivity.(6)

After the two initial tests a candidate would then be brought in for interviews. Advanced Hiring claims that interviews are not incredibly effective, which is why you would not use them as your first step in a screening process, but once you have narrowed down the candidates to those that have the desire and are capable of selling they would then be brought in for interviews to determine the candidate which would best fit the company. There are a number of studies that support the claim this claim by Advanced Hiring that interviews lack any real strength in determining a good salesperson.

A study by Angelo J. Kinicki, Chris A. Lockwood, Peter W. Hom, and Rodger W. Griffeth also supports Advanced Hiring's claim that the interview by itself is not a valid method for hiring employees as they marvel at the fact that managers continue to use the interview as the main method in hiring, supporting. "Despite low reliability and validity, the employment interview continues to be the method of choice for hiring prospective employees." (4)

In a study by Cynthia M. Marlowe, Sandra L. Schneider, and Carnot E. Nelson, the relationship of managerial experience to gender and attractiveness biases was examined in decisions involving suitability for hire and probable organizational progression within a typical financial institution. Each of 112 managers evaluated 4 equivalent resume data sheets, to which different candidate photographs were attached. The photographs were varied using a 2×2 (Gender \times Attractiveness) design where each photograph showed a woman or a man who was either highly attractive or slightly below

average in attractiveness. For both ratings and rankings of candidates, clear evidence of attractiveness and gender biases were present. The extent of the bias was, in general, smaller for the most experienced managers, although less attractive female applicants were routinely at a disadvantage regardless of managerial experience.(2)

Numerous empirical studies have shown that a person's appearance has a strong effect on how that person is treated. In general, attractive people enjoy more advantages and are perceived to have more socially desirable traits than unattractive people. A recent analysis of 76 studies supported this. In general, individuals ascribe more favorable traits and more successful life outcomes to attractive people. 30 experimental and 93 nonexperimental studies were reviewed of characteristics associated with physical attractiveness and reported that attractive people are perceived to be more sociable, dominant, warm, mentally healthy, intelligent, and socially skilled than unattractive people.(2)

This attractiveness advantage has also been demonstrated in work-related settings. Although high performers are generally preferred over low performers regardless of level of attractiveness, attractive people are favored over equally qualified unattractive people in hiring decisions.(2)

Managers of all experience levels exhibited bias in the rating conditions, despite the fact that all of the applicant photographs were rated as being at least somewhat attractive. As predicted, men were perceived to be more suitable for hire and more likely to advance to an executive level than were equally qualified women. Also, more attractive candidates, especially men, were preferred over less attractive candidates. These biases tended to decrease as managerial experience increased, except that less

attractive women were routinely judged to be the worst applicants. In the ranking condition, there was also clear evidence of an attractiveness bias, with marginally attractive female candidates again at the greatest disadvantage.(2)

Blatant gender bias might stand out and be questioned if a not-recommended female candidate was clearly more qualified than a recommended candidate. However, gender biases are likely to be more subtle (and perhaps unintentional) but nonetheless highly damaging, given the limited resources that constrain many organizations. For instance, when women and men are equally qualified, women may be rejected more frequently. Yet, because both are equally qualified, the bias may go unnoticed.(2)

Attractiveness biases may be even more subtle and difficult to detect. The candidates in our study were all very normal and professional in their appearance, yet the ones who were of above average attractiveness enjoyed a distinct advantage over the others. As noted earlier, our less attractive candidates were only slightly below average in appearance; they were pleasant and highly acceptable-looking candidates. Nevertheless, their prospects for being hired or promoted were seriously compromised. (2)

Initial accept or reject decisions are typically made by first-line supervisors who are usually the least experienced managers. Unfortunately, our findings indicate that these less experienced managers are the ones who exhibit the most pronounced gender and attractiveness biases. With current trends toward downsizing and ever increasing resource limitations, these biases (even if they are small) will have an adverse impact not only on selection decisions today but also on the composition of the workforce tomorrow. Acknowledging the influence of these biases is the first step in preventing this damage.(2)

A study done by Daniel M. Cable and Timothy A. Judge supports Advanced Hiring's theory that interviews should be done only to determine proper fit of a person with the company hiring them (this is termed "person-organization fit" or "P-O fit"). "Because theoretical and empirical research suggests that organizations may maximize performance when P-O fit is established, the interview may have its greatest utility as a P-O fit assessment device."(5)

Another claim by Advanced Hiring is the fact that resumes are a bogus means of determining a good salesperson. Resumes are not reviewed in the system until after the two initial tests and are used mainly for the purpose of verifying that the person you are interviewing is not a complete liar. This step may also be a tactic so the manager will feel more comfortable with the system. Sometimes it is very hard to teach old dogs new tricks as the saying goes.

A study done by Peter Glick, Cari Zion, and Cynthia Nelson on sex discrimination in hiring claims that if a manager feels that a position is a male position he/she will be more inclined towards the male name on a resume than a female and vice-versa despite the fact that an individual of the opposing gender could be more qualified. This feeling would continue, according to their research, even if stereotypes change. "...we are suggesting that once an occupation becomes designated as a "male" or a "female" occupation, even if stereotypes about men and women change, discrimination may continue."(8) This certainly helps to support Advanced Hiring's claim against resumes as a good tool for basing hiring decisions.

Another support for Advanced Hiring's claim against resumes in an article in a business journal where a study was done which showed over 20 percent of resumes

contain lies. “According to a study by a Cleveland executive recruitment firm, more than one out of every five (23 percent) resumes contains falsehoods. The conclusions are based on a survey of 7,000 executive resumes from 500 random executive searches conducted by Christian & Timbers within the past year. The survey reveals that of those resumes with misinformation, the top offenses include number of years in a job, misrepresented 71 percent of the time; accomplishments exaggerated, misrepresented 64 percent of the time; size of organization managed exaggerated, misrepresented 60 percent of the time; partial degree indicated as full degree, misrepresented 52 percent of the time; compensation exaggerated, misrepresented 48 percent of the time; jobs exaggerated, misrepresented 44 percent of the time, and jobs omitted, misrepresented 41 percent of the time.”(1)

A concern brought up in relation to Advanced Hiring’s approach of using psychological profiling as the main tool for hiring salespeople is that the applicants can lie and perhaps adjust the scores to work in their favor. A study by Joseph G. Rosse, Mary D. Stecher, Janice L. Miller, and Robert A. Levin seems to prove that this is not a valid concern:

Response distortion (RD), or faking, among job applicants completing personality inventories has been a concern for selection specialists. In a field study using a personality inventory, the authors show that while RD is significantly greater among job applicants than among job incumbents, that overall the results of recent studies suggests that RD has little effect on the predictive validity of personality inventories. (3) That while there are varying degrees of RD among those tested the level of RD seems to be insignificant overall.

So in review, Advanced Hiring claims a number of things: The first is that the ideal way to hire sales people is through use of psychological tests, and among these psychological tests they suggest a values as well as a personality test. They claim, as well, that there is little validity in interviews or resumes as the main source for hiring candidates. Their claims do seem to be strongly supported by research. So the hypothesis is supported. It would be interesting to see just how accurate their system really is by running their clients through a series of studies to determine this. The fact that there is a high degree of reuse of the system among clients does seem to show that it is a better system than hiring without the system, but it would be nice to be able to look at actual numbers supporting this.

Resources

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